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C O N F I D E N T I A L SECTION 01 OF 04 ISLAMABAD 014349

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SUBJECT: A PRIMER ON BALOCHISTAN

Classified By: Ambassador Ryan C. Crocker, Derived from DSCG 05-01, d

11. (C) Summary: This cable--the first in a series of cables on the province--is intended to serve as a primer on Balochistan, Pakistan's largest, least developed, and most sparsely populated province. Other cables in this series will cover the tribal and ethnic political dynamics of the province, the insurgency, and Islamabad's plans for overcoming the insurgency. This message covers basic geographical and statistical information, as well as an ethnic breakdown of the province. The Government of Pakistan in recent years has invested heavily in the province to tap its mineral wealth and to turn it into a regional transportation hub. However, since 1948, Balochistan has been plagued by an on-again, off-again insurgency led by ethnically Baloch tribal leaders. The insurgency flared up again in early 2005 with tribal militants blowing up gas pipelines and electricity pylons; the GOP began a concerted crackdown last December after insurgents fired rockets at an army base near Kohlu that President Musharraf was visiting. Baloch discontent today centers on what they say is the unfair distribution of the natural resources and revenue generated in the province. Baloch argue that the province should receive a disproportionate share of the revenues generated by its mineral wealth because it has greater development needs than the other provinces. For example, the Baloch point out that pipelines from natural gas fields in the province were run to cities in Punjab decades before they reached the provincial capital, Quetta. Most of the recent fighting has been confined to the eastern portion of the province, but some high profile violence has occurred along the Makran Coast, including the killings of Chinese engineers involved with the construction of a deep sea port at Gwadar. End Summary.

Geography

13. (U) Balochistan is a parched and inhospitable land. While rich in minerals, geologists have compared Balochistan's terrain to Mars. Pakistan's nuclear testing site is in Balochistan. To the east and northeast, Balochistan borders all three of Pakistan's other provinces as well as the southernmost of the seven Federally Administered Tribal

Agencies, South Waziristan. To the north, Balochistan shares borders with the Afghan provinces of Nimruz, Helmand, Qandahar, Zabol and Paktika. To the west it borders the Iranian province of Sistan-va-Baluchestan. On the south, Balochistan has more than 770 kilometers of coastline along the Arabian Sea.

¶4. (U) Area: At 347,190 square kilometers Balochistan is slightly smaller than Montana, and makes up nearly 44 percent of Pakistan's total area.

Socio-Economic Indicators

¶5. (U) Balochistan's population of 7.1 million (according to May 2003 government estimate) accounts for roughly 5.1 percent of Pakistan's total population. The province's population density of 19 people per square kilometer compares to a national average of 166 and an average of 358 in Punjab.

¶6. (U) The average literacy rate of the province is 31 percent, compared to a national average of 49 percent. Girls make up less than 37 percent of the primary through high school enrollment, and according to provincial government statistics, out of the number of students attending primary school, less than 16 percent of boys and 13 percent of girls go on to middle school. Baloch nationalists believe that the low education levels stem from federal government neglect.

¶7. (U) Balochistan's per capita income is roughly USD 160, less than one-fifth of the national average of approximately USD 850.

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¶8. (U) Natural resources include gas, coal, gold, copper, iron, marble, gypsum, and limestone. The province produces more than 40 percent of Pakistan's primary energy (natural gas, coal, and electricity), but while natural gas generates USD 1.4 billion in annual revenues, the province receives back just USD 116 million a year in royalties, or 8 percent, one of the major causes of friction between the nationalists and the federal government. Industries include cotton, woolen, and leather goods, iron and steel production, silk and rayon manufacturing, cement factories, and jute production.

Infrastructure and Reserves

¶9. (U) The Sui gas field, through 2005, had produced approximately 45 percent of Pakistan's domestic natural gas, however remaining reserves at the Sui field are now a third of the original total, equaling about 12.5 percent of Pakistan's total natural gas reserves.

¶10. (U) The Chinese operated copper and gold mine in Saindak, which has more than 400 million metric tons of reserves, generated nearly USD 170 million of exportable revenues in ¶2003. In 2004 the Saindak operation employed nearly 1,200 Pakistani and just over 300 Chinese workers. The federal government receives a 2 percent annual royalty from the operation.

¶11. (U) The recently discovered Rekodiq copper-gold deposit in northwestern Balochistan near Saindak, with its estimated 940 million metric tons of reserves, is potentially one of the largest in the world, and is set to be mined by a Canadian-Chilean joint venture. The Balochistan government has a 25 percent stake in the project.

¶12. (U) Reserves at the Dilband iron-ore deposit are estimated at 200 million metric tons. The province has just over 200 million metric tons of coal reserves, a fraction of Punjab's 175 billion tons of reserves.

¶13. (U) Infrastructure: The USD 1.1 billion Gwadar deepwater cargo and naval port when completed will provide Pakistan with its third major port facility and act as a major outlet for Pakistani trade with Afghanistan and the central Asian republics. Gwadar will have a dozen multipurpose berths, including two oil terminals, and the latest generation of containerized cargo handling facilities. The port opening has been delayed--it was scheduled to open in June after a second-stage dredging--and top GOP officials have been unable to say when the port will open. China has invested heavily in the project, providing USD 198 million of the USD 248 million cost of the project's first phase. Analysts have suggested that this is a strategic investment to enable China to take advantage of the port's proximity to the Persian Gulf and China's westernmost province, Xinjiang. The GOP and Beijing have already discussed building an oil refinery and possibly a pipeline between Balochistan and Xinjiang. Balochistan is also a possible transit route for pipelines from Turkmenistan to the Arabian Sea or India, and from Iran to India.

Government

¶14. (U) Like other provinces, Balochistan has a Provincial Assembly and Chief Minister, with a Governor appointed by the federal President. Federal level representation consists of 17 Members of the National Assembly (out of 342 seats) and 22 members of the federal Senate (out of 100 seats).

¶15. (U) Currently the province is governed by a coalition of the Pakistan Muslim League (PML) and the Muttahida Majlis-e-Amal (MMA). The MMA contingent is composed almost exclusively of Pashtun members of the Jamiat-e-Ulema-e-Islam/Fazlur Rehman Faction (JUI/F). The

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Baloch are divided between the nationalist parties and the PML. The nationalists hold just under a quarter of the seats in the assembly.

¶16. (U) The province is divided into 26 administrative districts. Major cities and towns include the provincial capital Quetta, Kalat, Khuzdar, Kohlu, Loralai, and Zhob.

Ethnic Snapshot

¶17. (C) The Baloch, with 45 percent of the population, are the dominant ethnic group in most of the province. However, Pashtuns, with 38 percent, are the most populous in the northeastern quarter. As of December 2005, there were also 683,000 Afghan refugees in the province, according to UNHCR. Many Baloch nationalists claim that the Baloch make up as much as 60 percent of the province's population, asserting such a high percentage because these nationalists fear that the Baloch are becoming a minority in their own province. This fear is fueled, in part, by a rising tide of Punjabi and Sindhi settlers who have entered the province to find work in projects such as Gwadar. The Baloch and Pashtuns live in their own "defined areas," according to one Embassy contact. The majority of Baloch are Hanafi Sunni Muslims. The Baloch tribal system has been described as "feudal militarism," with power concentrated in the hands of local tribal leaders or powerful Sardars. (Note: This contrasts sharply with the far more egalitarian Pashtun tribal society. End note).

¶18. (C) Currently, the most powerful sardars--each with a substantial militia--are those of the Bugti, Marri, and Mengal tribes, all of whom have been at odds with Islamabad in recent years. Each of these tribes is based in the eastern third of the province. (Note: The Sui gas fields are found in the tribal territory of the Bugtis. End Note). The Bugtis are led by Nawab Akbar Khan Bugti; the Marri by Nawab Khair Bux Marri; and the Mengals by Sardar Atuallah Khan Mengal. The youngest of the three--Mengal--is about 75. Each of the three tribes is associated with a different political party: Bugti

founded the Jamhoori Watan Party; Mengal founded the Balochistan National Party; and Marri is tied to the Baloch Haq Tawar Party as well as the Baluchistan Liberation Army. While these three tribes have been behind the insurgency in recent years, there are at least two dozen other sardars--some estimates put the number at more than 70--who are on friendly terms with the government. Most of these other sardars are found in the western and southern portions of the province. Major subtribes of the Bugti are the Masoori and the Kalpars.

¶19. (C) The Pashtun part of the province includes the northeastern districts of Quetta, Pishin, Qila Abdullah, Ziarat, Qila Saifullah, Zhob, Musa Khel, and the northern portions of Loralai and Sibi. The Pashtun area borders the Afghan provinces of Zabol, Paktika, and Qandahar. Pashtuns are predominately Sunni Muslims. Pashtun society, like Baloch, is tribal but extremely egalitarian: tribal leaders are considered first among equals.

¶20. (C) The major Pashtun tribes in Balochistan are the Kakar, Tarin, Kansai, Shirani, Pani, Dawi, Ghilzai, and Babi. The Kakar are thought to be the most numerous tribe, and are found in and around Quetta and throughout the Pashtun majority districts. The Tarin, and their subtribe the Achakzai, are historically one of the largest tribes in the province. The Kansai were the historical fief-holders of Quetta for the Durrani Kings in Afghanistan and are the most populous tribe in the city. The Ghilzais in Balochistan are nomads, many of whom also have homes in Afghanistan, though many of the Sulemankhel subtribe have settled in and around Zhob. Key Pashtun leaders in the province include Mehmood Khan Achakzai, a Member of National Assembly and leader of the Pushtoonkhwa Milli Awami Party (PKMAP), a Pashtun nationalist party, that shares many of the grievances of the Baloch nationalists; Abdul Rahim Khan Mandokhel, a federal

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Senator from PKMAP; Muhammad Sarwar Khan Kaker, a federal Senator from the PML; and Rehmatullah Kaker, a federal Senator from the MMA.

¶21. (C) Comment. Baloch discontent and the province's mineral wealth are inextricably entwined. The Baloch perceive that the province's natural resources have been exploited for the benefit of the people and industries of Punjab. They also complain that the distribution of federal resources, which is based on population, puts Balochistan--a thinly populated province--at a disadvantage. Because of the underdevelopment of the province, especially in comparison to Punjab, Baloch argue that the province should receive a greater share of funds to allow the province to catch up with the rest of the country. Baloch disgruntlement also stems from what they see as a lack of adequate representation in the federal bureaucracy, as well as the military, thus they are demanding the enforcement of quotas already in federal law. These calls have strengthened as the Baloch have grown fearful that they will become second-class citizens in their own province because of the influx of skilled Punjabis and Sindhis seeking employment in the province's infrastructure projects such as Gwadar and the copper-gold mines in Saindak and Rekodiq. A political settlement that addresses these grievances would require substantial revisions to Pakistani law and distribution of royalties, which would depend on high level backing in Islamabad. End comment.
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